

HOUSE BILL 1
By Newton

AN ACT to enact the "Tennessee Education Lottery Implementation Law" and to amend Tennessee Code Annotated, Title 4; Title 33; Title 38; Title 39; Title 48; Title 49 and Title 68, relative to a state lottery, including annual events authorized by the general assembly. This act makes appropriations for the implementation of a state lottery, including annual events authorized by the general assembly and lottery related operations and programs for an indefinite period of time.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. This act shall be known and may be cited as the "Tennessee Education Lottery Implementation Law".

SECTION 2. Tennessee Code Annotated, Title 4, is amended by adding Sections 3 through 7 of this act as a new, appropriately designated chapter.

SECTION 3.

(a) There is hereby created a corporation which shall be known as the "Tennessee Education Lottery Corporation".

(b) The corporation shall be registered with the secretary of state and shall be subject to the corporate laws of the state of Tennessee.

SECTION 4.

(a) The corporation shall be a body, politic and corporate, and a quasi-public instrumentality which shall be deemed to be acting in all respects for the benefit of the people of the state in the performance of essential public functions. Such corporation shall be deemed to be serving a public purpose and improving and otherwise promoting the health, welfare, and prosperity of the people through the operation of a state lottery and other public functions entrusted to it.

(b) The corporation shall be empowered to act on behalf of the state of Tennessee and its people in serving this public purpose for the benefit of the general public.

(c) The corporation shall have perpetual succession and shall adopt, amend and repeal bylaws and regulations for the conduct of its affairs.

SECTION 5.

(a) The corporation shall be governed by a board of directors.

(b) No person shall serve as a director or employee of the corporation who has been convicted of:

(1) Any felony;

(2) A misdemeanor involving gambling;

(3) Any violation of this chapter; or

(4) Any offense in a federal court, military court or court of another state, territory or jurisdiction which under the laws of this state would disqualify such person pursuant to subdivisions (1), (2) or (3).

SECTION 6. Net proceeds of lottery games conducted pursuant to this chapter shall be used exclusively for the purposes set out in Article XI, Section 5 of the Constitution of Tennessee and the provisions of this act. Such net proceeds shall be used to supplement, not supplant, existing resources for educational purposes, projects and programs.

SECTION 7.

(a) The corporation shall submit quarterly and annual reports to the governor, general assembly, treasurer and comptroller of the treasury.

(b) The corporation is subject to an annual audit by the comptroller of the treasury in accordance with § 8-4-109.

SECTION 8. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 9. This act shall take effect upon becoming a law, the public welfare requiring it.